

SHB 1817 - H AMD 258

By Representative Wilcox

WITHDRAWN 03/13/2013

1 On page 2, after line 21, insert the following:

2

3 **"Sec.3.** RCW 28B.145.030 and 2011 1st sp.s. c 13 s 4 are each  
4 amended to read as follows:

5 (1) The program administrator, under contract with the \*board,  
6 shall staff the opportunity scholarship board and shall have the  
7 duties and responsibilities provided in this chapter, including but  
8 not limited to publicizing the program, selecting participants for the  
9 opportunity scholarship award, distributing opportunity scholarship  
10 awards, and achieving the maximum possible rate of return on  
11 investment of the accounts in subsection (2) of this section, while  
12 ensuring transparency in the investment decisions and processes.  
13 Duties, exercised jointly with the opportunity scholarship board,  
14 include soliciting funds and setting annual fund-raising goals. The  
15 program administrator shall be paid an administrative fee as  
16 determined by the opportunity scholarship board.

17 (2) With respect to the opportunity scholarship program, the  
18 program administrator shall:

19 (a) Establish and manage two separate accounts into which to  
20 receive grants and contributions from private sources as well as state  
21 matching funds, and from which to disburse scholarship funds to  
22 participants;

23 (b) Solicit and accept grants and contributions from private  
24 sources, via direct payment, pledge agreement, or escrow account, of  
25 private sources for deposit into one or both of the two accounts  
26 created in this subsection (2)(b) in accordance with this subsection  
27 (2)(b):

1 (i) The "scholarship account," whose principal may be invaded, and  
2 from which scholarships must be disbursed beginning no later than  
3 December 1, 2011, if, by that date, state matching funds in the amount  
4 of five million dollars or more have been received. Thereafter,  
5 scholarships shall be disbursed on an annual basis beginning no later  
6 than May 1, 2012, and every May 1st thereafter. During the 2013-2015  
7 biennium, \$5,760,000 of the state funds in the scholarship account  
8 shall be used for state need grant awards;

9 (ii) The "endowment account," from which scholarship moneys may be  
10 disbursed from earnings only in years when:

11 (A) The state match has been made into both the scholarship and  
12 the endowment account;

13 (B) The state appropriations for the state need grant under RCW  
14 28B.92.010 meet or exceed state appropriations for the state need  
15 grant made in the 2011-2013 biennium, adjusted for inflation, and  
16 eligibility for state need grant recipients is at least seventy  
17 percent of state median family income; and

18 (C) The state has demonstrated progress toward the goal of total  
19 per-student funding levels, from state appropriations plus tuition and  
20 fees, of at least the sixtieth percentile of total per-student funding  
21 at similar public institutions of higher education in the global  
22 challenge states, as defined, measured, and reported in RCW  
23 28B.15.068. In any year in which the office of financial management  
24 reports that the state has not made progress toward this goal, no new  
25 scholarships may be awarded. In any year in which the office of  
26 financial management reports that the percentile of total per-student  
27 funding is less than the sixtieth percentile and at least five percent  
28 less than the prior year, pledges of future grants and contributions  
29 may, at the request of the donor, be released and grants and  
30 contributions already received refunded to the extent that opportunity  
31 scholarship awards already made can be fulfilled from the funds  
32 remaining in the endowment account; and

33 (iii) An amount equal to at least fifty percent of all grants and  
34 contributions must be deposited into the scholarship account until

1 such time as twenty million dollars have been deposited into the  
2 account, after which time the private donors may designate whether  
3 their contributions must be deposited to the scholarship or the  
4 endowment account. The opportunity scholarship board and the program  
5 administrator must work to maximize private sector contributions to  
6 both the scholarship account and the endowment account, to maintain a  
7 robust scholarship program while simultaneously building the  
8 endowment, and to determine the division between the two accounts in  
9 the case of undesignated grants and contributions, taking into account  
10 the need for a long-term funding mechanism and the short-term needs of  
11 families and students in Washington. The first five million dollars  
12 in state match, as provided in RCW 28B.145.040, shall be deposited  
13 into the scholarship account and thereafter the state match shall be  
14 deposited into the two accounts in equal proportion to the private  
15 funds deposited in each account;

16 (c) Provide proof of receipt of grants and contributions from  
17 private sources to the \*board, identifying the amounts received by  
18 name of private source and date, and whether the amounts received were  
19 deposited into the scholarship or the endowment account;

20 (d) In consultation with the \*higher education coordinating board  
21 and the state board for community and technical colleges, make an  
22 assessment of the reasonable annual eligible expenses associated with  
23 eligible education programs identified by the opportunity scholarship  
24 board;

25 (e) Determine the dollar difference between tuition fees charged  
26 by institutions of higher education in the 2008-09 academic year and  
27 the academic year for which an opportunity scholarship is being  
28 distributed;

29 (f) Develop and implement an application, selection, and  
30 notification process for awarding opportunity scholarships;

31 (g) Determine the annual amount of the opportunity scholarship for  
32 each selected participant. The annual amount shall be at least one  
33 thousand dollars or the amount determined under (e) of this  
34 subsection, but may be increased on an income-based, sliding scale

1 basis up to the amount necessary to cover all reasonable annual  
2 eligible expenses as assessed pursuant to (d) of this subsection, or  
3 to encourage participation in baccalaureate degree programs identified  
4 by the opportunity scholarship board;

5 (h) Distribute scholarship funds to selected participants. Once  
6 awarded, and to the extent funds are available for distribution, an  
7 opportunity scholarship shall be automatically renewed until the  
8 participant withdraws from or is no longer attending the program,  
9 completes the program, or has taken the credit or clock hour  
10 equivalent of one hundred twenty-five percent of the published length  
11 of time of the participant's program, whichever occurs first, and as  
12 long as the participant annually submits documentation of filing both  
13 a free application for federal student aid and for available federal  
14 education tax credits, including but not limited to the American  
15 opportunity tax credit; and

16 (i) Notify institutions of scholarship recipients who will attend  
17 their institutions and inform them of the terms of the students'  
18 eligibility.

19 (3) With respect to the opportunity expansion program, the program  
20 administrator shall:

21 (a) Assist the opportunity scholarship board in developing and  
22 implementing an application, selection, and notification process for  
23 making opportunity expansion awards; and

24 (b) Solicit and accept grants and contributions from private  
25 sources for opportunity expansion awards."

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27 Correct the title.

EFFECT: Requires \$5,760,000 to be spent from the opportunity  
scholarship program scholarship account for state need grant awards.

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